

UNCLASSIFIED
Department of State

OUTGOING
TELEGRAM

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STATE 151621

ORIGIN NEA-07

DEPT OF STATE A/CDC/IMR

INFO OCT-00 ADS-00 INR-10 EUR-10 SS-10 AF-10 CIAE-00
COMP-01 EB-00 ICA-10 NEA-00 COME-00 HA-06
DOE-10 TRSE-00 PH-00 STR-10 ACDA-12 MCE-00 /126 R

DRAFTED BY NEA/ARP: RHP/LETTREAU
APPROVED BY M/COMPAEX: DLQUAID, JR.
NEA: JMTWINAM
T: RAHERNE
PM: AKANTER
H: EMARTIN
EUR: JHNING

P R 101938Z JUN 81
FM SECSTATE WASHDC
TO AMEMBASSY ALGIERS PRIORITY
AMEMBASSY MANAMA PRIORITY
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AMEMBASSY NEW DELHI PRIORITY
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UNCLAS STATE 151621

FRANKFURT FOR GAO

E.O. 12065: N/A

TAGS: AGAO

SUBJECT: GAO STUDY OF THE PROPOSED SALE OF AWACS AIRCRAFT
TO SAUDI ARABIA (CODE 465261)

1. THE GENERAL ACCOUNTING OFFICE (GAO) HAS BEEN ASKED BY THE CHAIRMAN, SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST, HOUSE COMMITTEE ON FOREIGN AFFAIRS, TO PREPARE A STUDY ON THE PROPOSED SALE OF AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT TO SAUDI ARABIA. THE CHAIRMAN HAS ALSO ASKED THE GAO TO BE PREPARED TO TESTIFY ON THE AWACS SALE SHOULD THE ADMINISTRATION SUBMIT A FORMAL PROPOSAL TO THE CONGRESS.

2. THE CHAIRMAN'S INTERESTS CENTER ON THE FOLLOWING ASPECTS OF THE POSSIBLE AWACS SALE TO SAUDI ARABIA.

A. ITS IMPLICATIONS FOR ATTAINING STATED U.S. NATIONAL SECURITY INTERESTS IN THE MIDDLE EAST AND INDIAN OCEAN AREA, INCLUDING ITS UTILITY IN ENHANCING U.S. GLOBAL MILITARY COMMUNICATIONS CAPABILITY;

B. ITS POTENTIAL IN HELPING TO ESTABLISH AN IMPROVED REGIONAL SECURITY FRAMEWORK, INCLUDING AND ESPECIALLY A REGIONALLY COORDINATED AIR DEFENSE SYSTEM, LEADING TO A MORE CREDIBLE DETERRENT CAPABILITY;

C. ITS IMPACT ON THE MILITARY BALANCE OF AFFECTED COUNTRIES IN THE REGION, INCLUDING ITS EFFECT ON SAUDI ARABIA'S MILITARY CAPABILITIES, ESPECIALLY THE DEGREE TO WHICH AWACS WOULD INCREASE SAUDI OFFENSIVE CAPABILITY;

D. THE APPROPRIATE DEGREE OF AMERICAN INVOLVEMENT IN SAUDI AWACS AND AN EVALUATION OF THE CRITICAL FACTORS OF TIME, TRAINING, AIR OPERATIONS, ASSESSMENT AND DISSEMINATION OF INFORMATION GATHERED, AND MAINTENANCE OF THE ENTIRE SYSTEM;

E. CONDITIONS ON THE PROPOSED SALE AND/OR TECHNICAL MODIFICATIONS TO THE AIRCRAFT WHICH, WITHOUT UNDERMINING ITS CAPABILITY AND EFFECTIVENESS, COULD LESSEN POTENTIAL ADVERSE EFFECTS ON OTHER FRIENDLY STATES IN THE REGION;

F. THE INTELLIGENCE COMMUNITY'S ASSESSMENT OF THE TECHNOLOGICAL SECURITY PROBLEMS OF THE PROPOSED SALE; THE MEANS OF PROTECTING SYSTEM COMPONENTS CONSIDERED SENSITIVE, THE COMPROMISING OF WHICH MIGHT JEOPARDIZE U.S. SECURITY; AND

G. ALTERNATIVE SYSTEMS WHICH WOULD ALLOW SAUDI ARABIA TO MEET ITS LEGITIMATE EARLY WARNING NEEDS, TAKING INTO ACCOUNT SAUDI ABILITY TO ABSORB AND EFFECTIVELY UTILIZE THE SYSTEM.

3. NEA AND PH ARE WORKING CLOSELY WITH GAO ON THIS MATTER. GIVEN TIGHT DEADLINES PLACED ON GAO TO COMPLETE ITS STUDY, PURPOSE OF THIS INSTRUCTION IS TO PROVIDE TIMELY AND RELEVANT INFORMATION AND BE RESPONSIVE TO EXPRESSED GAO DESIRE TO MINIMIZE THE NUMBER OF POSTS IT HAS TO VISIT AND DURATION OF THOSE VISITS.

4. ADDRESSEE POSTS ARE THEREFORE REQUESTED TO PROVIDE BY JUNE 30 OR EARLIER:

(A) A BRIEF SUMMARY OUTLINING NATURE AND EXTENT OF POST INVOLVEMENT, HOWEVER, MINIMAL, WITH THE PROPOSED SALE (INCLUDING NEGATIVE REPORT, IF APPLICABLE), AND

(B) AN INTERNAL POST ASSESSMENT, WITHOUT CONTACTING HOST GOVERNMENT, OF BOTH OFFICIAL AND UNOFFICIAL HOST NATION REACTION TO (1) THE PROPOSED AWACS SALE AND (2) THE FOUR U.S. AWACS AIRCRAFT CURRENTLY DEPLOYED TO AND OPERATING IN SAUDI ARABIA.

5. IN DRAFTING REPLIES, POSTS SHOULD INCORPORATE BY REFERENCE PREVIOUS POST-ORIGINATED REPORTING OF KEY TELEGRAMS, MEMORANDA, AND STUDIES RELATED TO THE PROPOSED SALE. PLEASE SLUG REPLIES TO NEA/ARP. HAIG

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